

**Illinois Department of Revenue
Regulations**

Title 86 Part 700 Section 700.210 Interest Rate Calculation
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TITLE 86: REVENUE

**PART 700
UNIFORM PENALTY AND INTEREST ACT**

Section 700.210 Interest Rate Calculation

- a) The rate of interest to be paid to taxpayers and to be charged taxpayers is *the underpayment rate established under Section 6621 of the Internal Revenue Code*. (Section 3-2(a) of the Act)
- b) The underpayment rate is the sum of the Federal short-term rate plus 3 percentage points. The federal short-term rate is the rate determined by the Secretary of the Treasury based upon the average market yield (during any one month period selected by the Secretary of the Treasury and ending the calendar month in which the determination is made) on outstanding marketable obligations of the United States with remaining periods of maturity of 3 years or less.
- c) *The interest rate shall be adjusted on a semiannual basis, on January 1 and July 1, based upon the underpayment rate going into effect on that January 1 or July 1 under Section 6621 of the Internal Revenue Code.* (Section 3-2(b) of the Act)
- d) The Department will announce the interest rate and the semiannual adjustments of the interest rate to the public by publication in the Illinois Register and the State newspaper. Taxpayers may also contact the Department's Taxpayer Information Division for interest rate information.